



**Testimony on Senate Bill 460:
An Act Concerning Hospital Conversions and Other Matters Affecting Hospitals
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As president of Universal Health Care Foundation of Connecticut, I felt it was important to testify in person today because of the pivotal moment our state is in regarding the conversion *and* consolidation of our hospital industry. If we are serious about transforming our health system to focus more on the patient, more on improving health outcomes and more on spending our health care dollars wisely – we must take a long, hard look at the impact of allowing for-profit hospitals into our state.

I'd like to start by saying that the Foundation would rather have the state put an outright moratorium on hospital conversions than try to just regulate the approval process. I say this because I think we need time to let major initiatives in health reform work out a bit more. Right now, the state is affecting real change in the state employee Health Enhancement Program and the Medicaid Primary Care Case Management program. Their focus on improved primary care, better management of chronic disease and prevention should lead to less need for hospital care over time. In the private sector, several Accountable Care Organizations are integrating care across settings in a manner that could also decrease hospital use. And, if things move forward with the State Innovation Model plans, we could see more innovation and pilot initiatives moving toward a health care system that rewards quality and value over volume.

Except for the Sharon Hospital conversion in the northwest corner of Connecticut, we have no real experience with for-profit hospitals. We can ill afford to experiment with the health and well-being of our communities in order to please the “bottom line” appetite of shareholders and board members who may have no connection or allegiance to local municipalities, staff and patients associated with a nonprofit hospital that has converted to for-profit control. Earlier in March, I was at a national conference and heard a speaker talking about the Tenet hospitals in Texas. Evidently the taxpayer-funded county hospital takes up the slack for the for-profit hospital. How would such a dynamic play itself out in Connecticut? We have no public hospitals. Would the remaining nonprofit hospitals end up with the less profitable patients?

If an outright ban or moratorium on conversions is not adopted, it is important to assure that conversions are transparent, and that the for-profit hospitals are monitored closely to ensure they meet community needs. First, the bill should require comprehensive community impact assessments to be completed by an independent third party, with the findings of such assessments to be aired at two public hearings.

Second, the bill should require that a Community Health Need Assessment (CHNA) must be conducted by hospitals that undergo conversion, to ensure that communities retain this vital, inclusive planning process. The Affordable Care Act requires every nonprofit hospital to conduct a CHNA once every three years.* For-profit hospitals must not get off the hook on this. CHNAs have been completed or are well underway in hospital communities across Connecticut. They provide an important platform to bring together diverse local stakeholders to focus efforts on community health improvement.

In closing, I urge our state leaders to expand the hospital regulation discussion to include assessment of the impact of hospital consolidations and mergers, as well as hospital purchases of private physician practices, on access, quality and particularly cost of care. We have ready examples in Connecticut, with developments at Yale New Haven Health System and Hartford HealthCare system. We must have a robust conversation about the future of hospital care in our state. SB 460 is a start – but it won't be enough. The Universal Health Care Foundation looks forward to this important discussion.

*Note: The proposed CHNA rule, 78 Fed. Reg. 20523 (proposed April 5, 2013) (to be codified at 26 C.F.R. pts. 1, 53), requires a hospital to:

- Define the community it serves
- Assess the health needs of that community, prioritize those needs and identify potential measures and resources to address the needs
- Take into account input from people who represent the broad interests of that community, such as health care consumers – including those who are from medically underserved, low-income and minority populations – advocates, nonprofit and community-based organizations, local government officials, local school districts, health care providers and community health centers, private businesses and labor and workforce representatives